

6 February 2009

The Manager  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

DEXUS Funds Management Limited  
ABN 24 060 920 783  
AFSL: 238163

Level 9, 343 George Street  
Sydney NSW 2000

PO Box R1822  
Royal Exchange NSW 1225

Telephone 61 2 9017 1100  
Direct 61 2 9017 1134  
Facsimile 61 2 9017 1110

Email: [renee.oconnor@dexus.com](mailto:renee.oconnor@dexus.com)

Dear Sir/Madam

**DEXUS Property Group (ASX: DXS) General Meeting of Security holders Chair and CEO address**

DEXUS Funds Management Limited, as responsible entity for DEXUS Property Group (DXS), provides a copy of the Chairman's & Chief Executive Officer's address for today's General Meeting of Security holders.

For further information, please contact:

Investor Relations:	Karol O'Reilly	(03) 8611 2930
Media Relations:	Emma Parry	(02) 9017 1133

Yours sincerely



Tanya Cox  
Company Secretary

# DEXUS Property Group (ASX: DXS)

## ASX Announcement

6 February 2009

### DEXUS Property Group Security Holder Meeting - Chair & CEO address

#### Chris Beare - Chair's address

Thank you for attending today's extra-ordinary security holders meeting. The purpose of today's meeting is to ensure DEXUS has the maximum flexibility to implement its capital management plans.

By way of background, the ASX listing rules limits our ability to place securities either through an institutional placement, like the one we undertook in December 2008, or through the underwriting of the DRP to 15% of issued capital in a rolling 12 month period. Following the December 2008 placement DEXUS has very limited capacity to place additional securities over the next 12 months.

This may impact DEXUS's ability to implement its capital management strategies and our capacity to act on market opportunities and conditions as they arise. Consequently, security holder's ratification is being sought for the December 2008 placement and also the approval to underwrite the DRP for the next 2 years if these capital management strategies are considered to be in the best interest of security holders.

Also while we are gathered today we are taking the opportunity to update the constitution.

Consequently, today's meeting has three resolutions. The first resolution, an ordinary resolution, seeks your consent to the refreshment of our placement capacity. The second resolution, a special resolution, seeks your approval to the issue of stapled securities to an underwriter if we were to underwrite the distribution reinvestment plan within the next two years.

The third resolution, also a special resolution seeks your approval to a number of minor amendments to the constitutions of each of the Trusts that comprise the DEXUS Property Group. These amendments are being made to ensure the Constitutions meet current practice and more closely reflect ASIC and ASX requirements and also amend the formats of certain provisions of the Constitutions to ensure consistency.

Before we consider the resolutions I will invite your CEO, Victor Hoog Antink, to provide you with a brief operational update.

#### Victor Hoog Antink - CEO's address

As I said at the AGM in October 2008, these are difficult, indeed unprecedented times. Few could have predicted the market downturn that has occurred across all sectors of the economy. The environment within which we are operating continues to be volatile and it is certain that we can expect these challenging times to persist for some time to come.

Our 2009 focus, therefore, is to continue to do what we've always done - strive to maximise returns for our investors by:

- Actively managing our property portfolio to extract value and deliver sustainable income
- Driving a high performance culture and delivering service excellence to our customers, and
- Actively managing our balance sheet and continuing to maintain prudent and diverse funding sources

# DEXUS Property Group (ASX: DXS)

## ASX Announcement

While the current economic conditions are impacting our operating activities, the active management focus of our experienced teams continues to deliver results in-line with our expectations. While each asset sector is impacted differently occupancy and tenant retention rates have generally remained steady. Notwithstanding that we have achieved significant leasing activity in the period, we are seeing a reduction in new leasing enquiry with tenants preferring to stay put rather than relocate. Obviously not all markets are performing uniformly with our US and European portfolio's being hardest hit by the downturn.

In December 2008, we raised approximately \$300 million, via an institutional placement. Additionally, we recently offered our retail investors the right to participate in a security purchase plan of up to \$10,000 of securities. This offering, which closed this week, was taken up by over 1600 investors raising approximately \$11.5 million.

These capital initiatives together with our debt facilities will give us sufficient capacity to fund our refinancing commitments through to February 2010 and our committed developments through to June 2011.

You will appreciate that we are still in the process of finalising and auditing our Half Year financial results which will be announced on the 18<sup>th</sup> of February. While I am not in a position to provide a great level of detail, I can confirm, consistent with our announcement in December 2008, that barring unforeseen circumstances, we remain on track to deliver earnings of 10.8 cents per security and a distribution of 7.6 cents per security for the financial year ended 30 June 2009.

As foreshadowed at the AGM, adverse market conditions are resulting in declining asset values worldwide. At DEXUS, this has resulted in asset devaluations of \$773 million as at 31 December 2008. Approximately two thirds of this relates to our overseas portfolio and the balance our Australian portfolio where we are still seeing good growth in rentals. The effect of these devaluations, together with mark to market adjustments and the recent capital raising, will be a revised Net Asset Value per security of \$1.33.

Our resultant gearing is estimated at 37.3%, which continues to be significantly within our covenant levels of 55%.

I would also like to take this opportunity to speak to you about our announcement this morning regarding our flagship development at 1 Bligh Street, Sydney.

Following the announcement at the AGM that Clayton Utz had signed a heads of agreement to occupy approximately 55% of the completed project, I can now confirm that a formal agreement for lease has been executed for Clayton Utz to occupy levels 1-15 of the building for a period of 10 years. We are currently in negotiations with other prospective tenants also looking to secure space at 1 Bligh.

We also announced today that we have entered into a joint venture with Cbus Property acquiring a one-third interest and partnering with us in the development of Australia's premier six star office tower at 1 Bligh.

Cbus Property will acquire the interest for a consideration equivalent to a one-third share of the acquisition and development costs incurred to date of approximately \$60 million. They will then participate jointly in the development with DEXUS and DWPF.

This has effectively reduced DEXUS's overall committed development exposure by more than \$200 million to \$150 million over the next three years.

# DEXUS Property Group (ASX: DXS)

## ASX Announcement

In addition, the joint venture includes a provision for Cbus Property to make a deferred performance payment to DEXUS following completion of the development in 2011.

DWPF, who currently own a 31.8% interest, has been granted an option by DEXUS to increase its ownership in the venture on similar terms by approximately 1.5% to 33.3%, thus regularising all joint venturers' interests to three equal shares.

We are very pleased to introduce Cbus to our flagship office development at 1 Bligh. Cbus is one of Australia's leading industry super funds and has a long-term commitment to the Australian construction industry. Most importantly, they share our vision to own, manage and develop world-class property assets such as 1 Bligh Street.

We are excited about the prospects for 1 Bligh, which will be Sydney's premier property offering for the foreseeable future.

Thank you ladies and gentlemen, I will now hand you back to Chris for the business of the meeting.

-ENDS-

For further information please contact:

Victor Hoog Antink	Chief Executive Officer	(02) 9017 1129
Karol O'Reilly	Investor Relations	(03) 8611 2930 or 0405 134 856
Emma Parry	Media Relations	(02) 9017 1133 or 0421 000 329

### About DEXUS

DEXUS is one of Australia's largest diversified property groups and a leading owner, manager and developer of world-class office, industrial, retail properties with total assets under management of \$15.2 billion in Australia, New Zealand, the US, Canada and Europe.

DEXUS is committed to the long-term integration of sustainability practices throughout its property portfolio and was recently recognised as one of the Global 100 Most Sustainable Corporations at the World Economic Forum in Davos.

[www.dexus.com](http://www.dexus.com)